

Senate Study Bill 1147

SENATE FILE _____
BY (PROPOSED COMMITTEE ON
COMMERCE BILL BY
CHAIRPERSON WARNSTADT)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act increasing insurance coverage requirements for damages
2 resulting from certain incidents involving liquor control
3 licensees and beer permittees.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
5 TLSB 1831XC 82
6 av/gg/14

PAG LIN

1 1 Section 1. Section 123.92, unnumbered paragraph 2, Code
1 2 2007, is amended to read as follows:
1 3 Every liquor control licensee and class "B" beer permittee,
1 4 except a class "E" liquor control licensee, shall furnish
1 5 proof of financial responsibility by the existence of a
1 6 liability insurance policy in an amount determined by the
1 7 division but in any event the amount of insurance coverage
1 8 shall not be less than one hundred thousand dollars per person
1 9 and two hundred fifty thousand dollars per incident or
1 10 occurrence. In addition, the minimum amount of insurance
1 11 coverage required shall be adjusted by the division effective
1 12 January 1, 2013, and every five years thereafter to reflect
1 13 the percentage increase in the consumer price index that is
1 14 published annually in the federal register by the federal
1 15 department of labor, bureau of labor statistics, for the
1 16 five-year period ending June 30 of the year that the
1 17 adjustment is to be made. The amount of the adjustment shall
1 18 be rounded to the nearest five thousand dollars of coverage
1 19 and shall be published by the division no later than July 1 of
1 20 the year preceding the January 1 when the adjusted amount
1 21 becomes effective.

EXPLANATION

1 22 This bill increases insurance coverage requirements for
1 23 damages resulting from certain incidents involving liquor
1 24 control licensees and beer permittees.
1 25 Code section 123.92 is amended to increase the amount of
1 26 insurance coverage that is required to satisfy the proof of
1 27 financial responsibility requirements of certain liquor
1 28 control licensees and class "B" beer permittees under the
1 29 state's dramshop Act. The bill provides that the amount of
1 30 coverage required shall not be less \$100,000 per person and
1 31 \$250,000 per incident or occurrence. Currently, the amount of
1 32 coverage required is determined by the alcoholic beverages
1 33 division of the department of commerce by rule in 185 IAC
1 34 5.8(2) and is \$50,000 for bodily injury to or death of one
2 1 person, \$100,000 for bodily injury to or death of two or more
2 2 persons, \$25,000 for loss of means of support of one person,
2 3 and \$50,000 for loss of means of support of two or more
2 4 persons. The bill further requires the amount of coverage to
2 5 be adjusted by the division on January 1, 2013, and every five
2 6 years thereafter to reflect the percentage increase in the
2 7 consumer price index as specified in the bill.
2 8 LSB 1831XC 82
2 9 av:nh/gg/14.1